



## **AESC Insights**

**Q2 2007**

# **State of the Executive Search Industry**

Retained Executive Search Industry Continues Robust Growth:  
20% Year-Over-Year Increase for Second Quarter



# Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

## AESC State of the Industry Statistics: Q2 2007

The AESC State of the Industry Statistics is a quarterly report issued by the Association of Executive Search Consultants (AESC) on statistics and trends in the global retained executive search industry. Data for this report is collected from a consistent sample of AESC member search firms that represents the activity of over 1,200 executive search consultants in 42 countries worldwide.

## Executive Summary

### Retained Executive Search Industry Continues Robust Growth

20% Year-Over-Year Increase for Second Quarter

In a remarkable example of sustained growth the global retained executive search industry recorded yet another year-on-year increase in net revenues. In Q2 2007 global industry revenues increased by 20%, as compared to the same period the previous year, reported the Association of Executive Search Consultants (AESC). The average revenue per consultant also experienced an annual increase, up 6.7% from Q2 2006.

Peter Felix, AESC President, commented: "Senior level executive search activity is always an indicator of growth, of change and of strategic development. In the past four years we have witnessed the unusual phenomenon of major forces coming together to create an unprecedented demand for executive talent around the world. Organisations concerned to seek out the best talent now recognize that the worldwide shortage created by demographic changes, the expansion of emerging markets, such as India, China and Russia, and changes in attitude and motivation of executives are all contributing to a 'perfect wave' of demand. To compete for the best talent they recognize the need for retained executive search consultants to represent them in the market. These are heady days for the executive search profession."

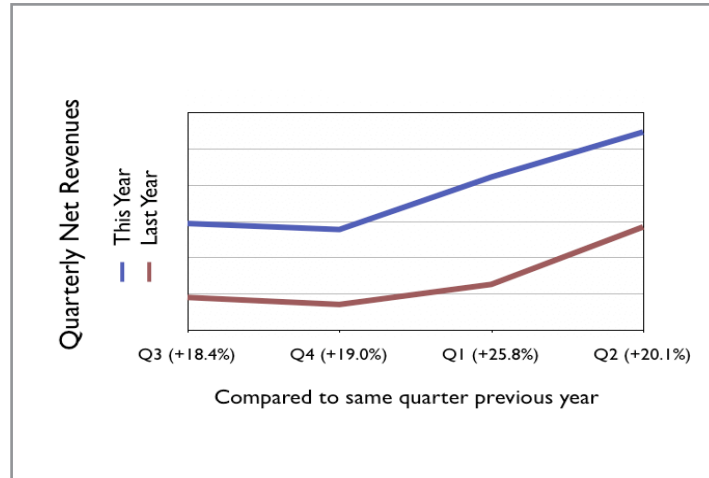
Year-on-year comparisons saw Asia-Pacific experience an increase of 15% in the number of searches started from Q2 2006 to Q2 2007, while the 'Other Europe' category (European countries excluding the UK, France and Germany) saw an increase of 10%. Peter Felix further commented: "The sustained increase in the number of searches in Asia/Pacific and 'Other Europe' which includes Central and Eastern Europe, is testament to the awakening of the emerging economies as they respond to the need for professional management and leadership in private enterprise initiatives."

## FINANCIAL TRENDS

### Average Net Revenues

Average net revenues increased 20.1% from Q2 2006 to Q2 2007. The quarterly trend in net revenues revealed a 9% increase from Q1 2007 to Q2 2007.

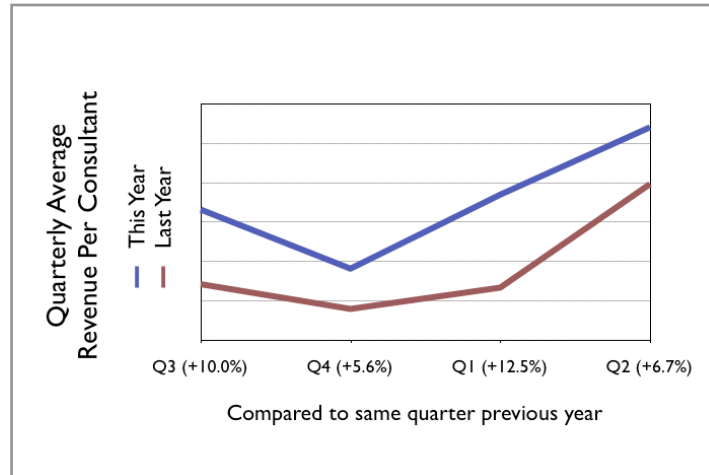
*Quarterly Net Revenues,  
as Compared to Previous Year*



### Average Revenue Per Consultant

The average revenue per consultant in Q2 2007 rose 6.7% from the same period the previous year. The quarterly figure showed an 8% rise from Q1 2007 to Q2 2007.

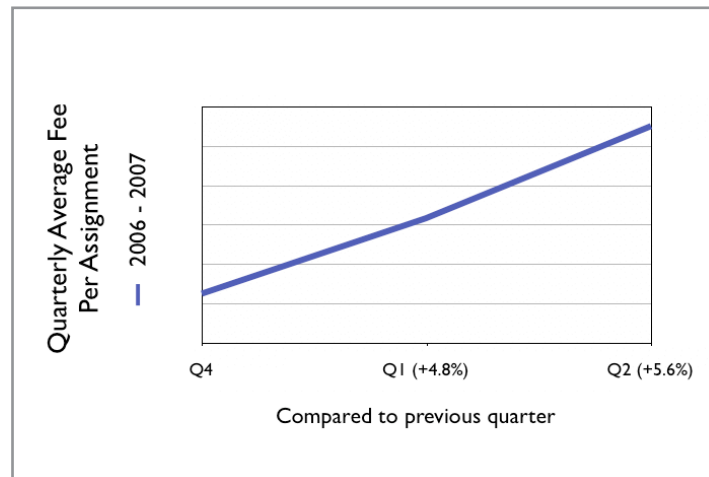
*Quarterly Average Revenue Per Consultant,  
as Compared to Previous Year*



### Average Fee Per Search Assignment

The quarterly trend in the average fee per executive search assignment has steadily risen since the AESC introduced this research in the fourth quarter of 2006. From Q4 2006 to Q1 2007 the average fee rose by 4.8%, and more recently - Q1 2007 to Q2 2007 - the average fee per assignment increased by 5.6%.

*Quarterly Average Fee Per Search  
Assignment*

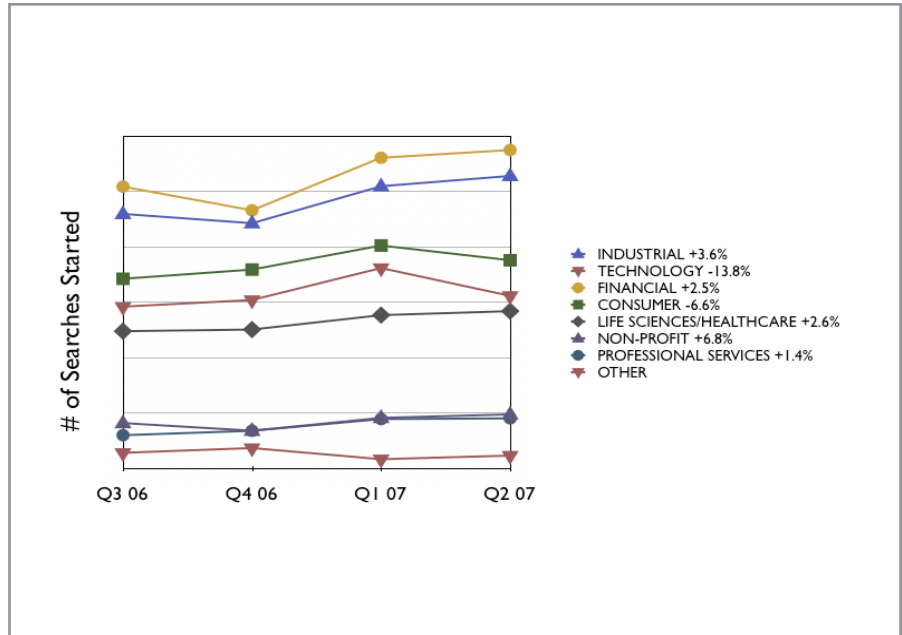


# INDUSTRY TRENDS

## Trend in Number of Searches Started by Industry

Two industries experienced a quarterly decline in the number of searches in Q2 2007, these were; Technology, down 13.8% and Consumer, dropping 6.6%. All remaining industries witnessed a quarterly rise, the largest being Non-Profit, up 6.8%, followed by Industrial (+3.6%), Life Sciences/Healthcare (+2.6%), Financial (+2.5%) and Professional Services (+1.4%).

Trend in Number of Searches Started Quarterly, by Industry

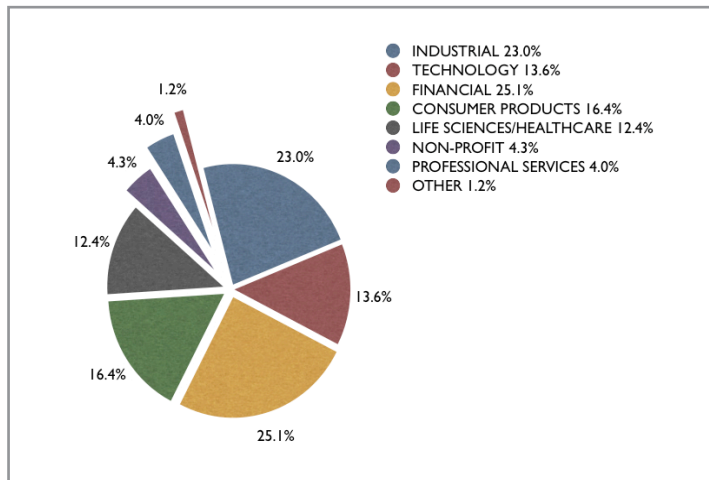


## Market Breakdown by Industry

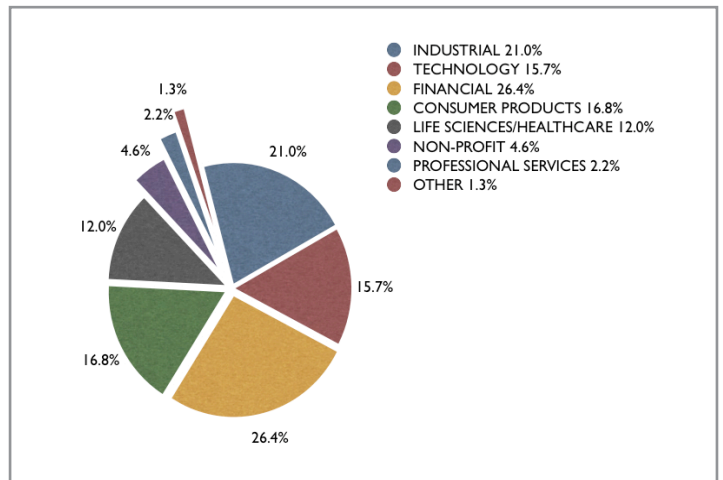
Q2 2007 revealed a market breakdown by industry consistent with previous quarterly results, with the Financial sector maintaining the largest share at 25.1%. The Industrial sector followed with 23%, Consumer Products (16.4%), Technology (13.6%), Life Sciences/Healthcare (12.4%), Non-Profit (4.3%), and Professional Services (4%) round out the industry breakdown.

Searches Started Quarterly by Industry, as Percentage of Total

Quarter 2 2007



Quarter 2 2006

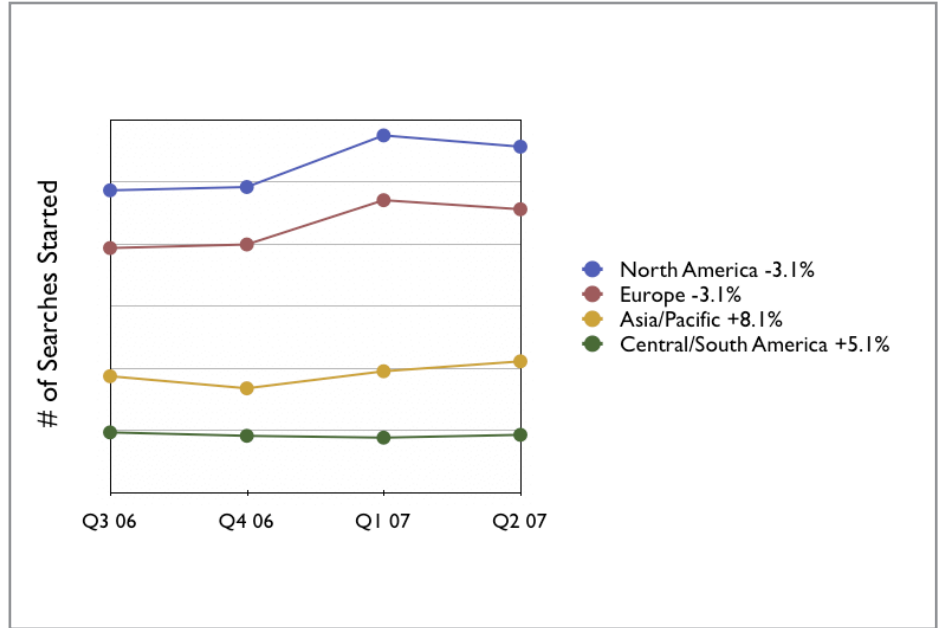


## REGIONAL TRENDS: Global

### Trend in Number of Searches Started by Region

Q2 2007 saw no quarterly change in the number of searches started. However, both North America and Europe experienced a quarterly decline in searches of 3.1% in Q2 2007 (both regions having experienced significant quarterly increases of plus 15% the previous quarter). Enjoying an increase in searches from Q1 2007 to Q2 2007 were Asia/Pacific and Central/South America, up 8.1% and 5.1% respectively.

Trend in Number of Searches Started Quarterly, by Region

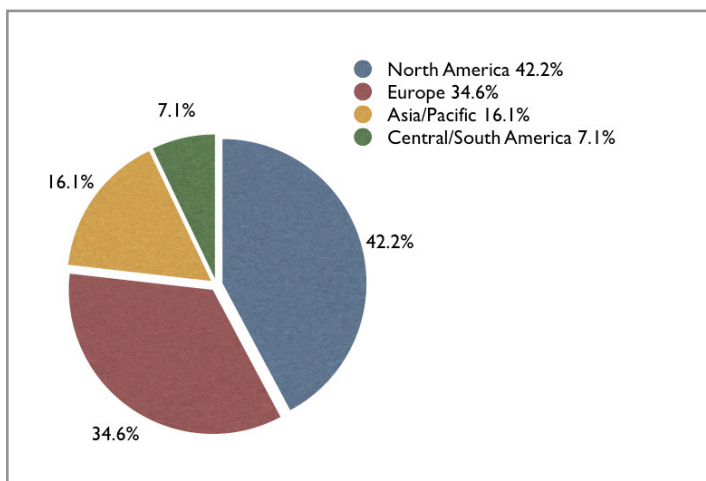


### Market Share by Region

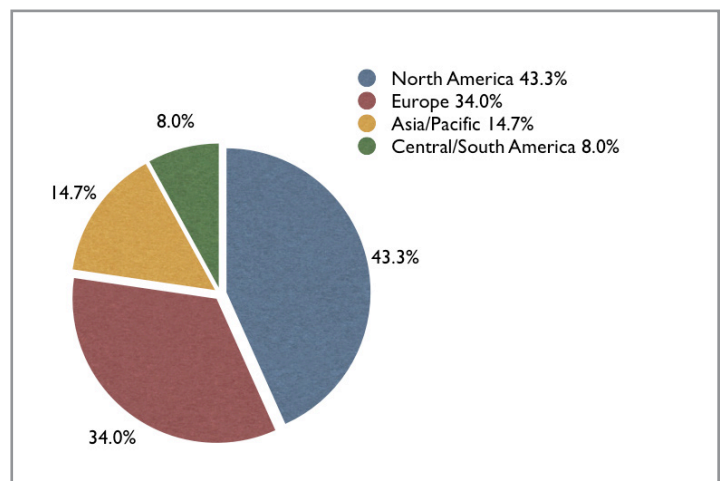
Consistent with previous quarterly and annual market share trends; North America represented 42.2% of the global retained executive search market in Q2 2007, Europe 34.6%, Asia/Pacific 16.1% and Central/South America 7.1%. A yearly comparison from Q2 2006 to Q2 2007 revealed minor changes in market share, with North America and Central/South America down and Europe and Asia/Pacific holding slightly larger shares.

Searches Started Quarterly by Region, as Percentage of Total

Quarter 2 2007



Quarter 2 2006

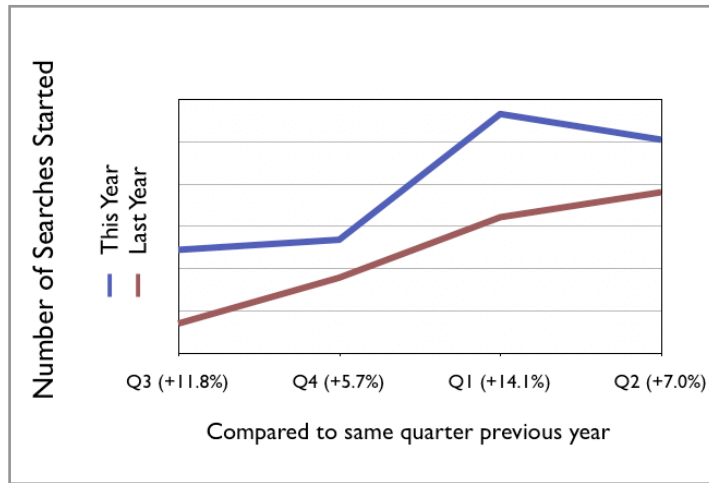


## REGIONAL TRENDS: Europe

### Trend in Number of Searches Started in Europe

European searches experienced an annual rise of 7%, as compared to the same period the previous year. The quarterly trend saw European searches decline by 3.1% from Q1 2007 to Q2 2007.

Quarterly Trend in Number of Searches Started in Europe, as Compared to Previous Year

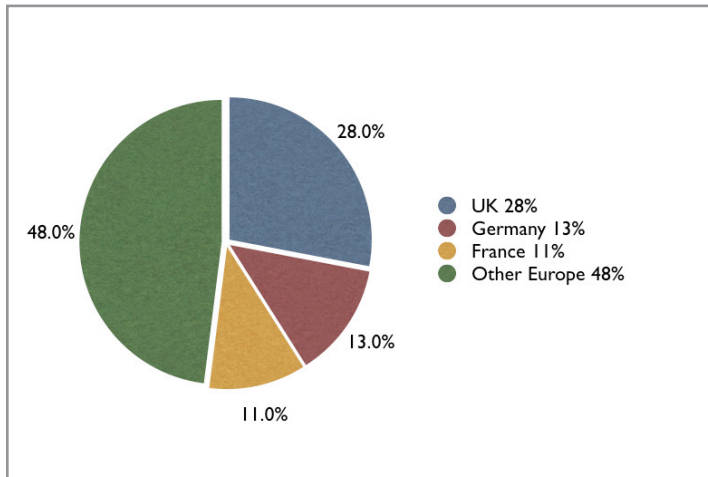


### Market Share by European Sub-Region

In Q2 2007 the UK held the greatest share of European searches with 28% of the total market. Germany followed with 13% while France maintained an 11% European market share. The annual trend from Q2 2006 to Q2 2007 revealed minor changes in European market share; UK searches fell by 2%, Germany declined by 1%, and France increased by 1%.

Searches Started Quarterly by European Sub-Region, as Percentage of Total Europe

Quarter 2 2007



Quarter 2 2006

